Rs. 290.84 lakhs, 685.71 lakhs and Rs. 255.47 lakhs have been disbursed during the years 1997-98, 1998-99 and 1999-2000 (as on 2.12.1999).

Revival Package for Loss Making SAIL

603. SHRI ABANI ROY:
SHRI KRISHNA KUMAR BIRLA:

Will the Minister of STEEL be pleased to state:

(a) whether the Government have revised the revival package for loss making SAIL;

(b) if so, the details thereof;

(c) the details of the subsidiaries of SAIL which suffered losses during the last three years;

(d) the reasons of losses in those subsidiaries and whether Government have contemplated any steps to bring down losses; and

(e) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI DILIP RAY): (a), (b) and (e) Government has been in constant dialogue with SAIL and has been periodically reviewing its performance with a view to increasing its competitiveness and efficiency. Accordingly, to improve the financial performance and profitability of SAIL., the Company has drawn up a comprehensive financial and business restructuring plan. The measures outlined in the plan include, inter-alia:

(i) A reduction in operational costs by reducing input costs, reducing consumption of raw materials and other inputs and by increasing operating efficiencies;

(ii) Improvement in techno-economic parameters such as fuel and power consumption;

(iii) Increased recovery for services/facilitites;

(iv) Right sizing manpower through a Voluntary Retirement Scheme (VRS);

(v) Assests restructuring;

(vi) Disposal of idle assets; and

(vii) Financial restructuring.

(c) The details of losses by each of SAIL's subsidiaries during the last three years are as follows:—

(Rs./Crores)

	Profit/Loss (—) after tax		
Year	IISCO	VISL*	MEL
1996-97	(—)213	(—)102	(—)1.6
1997-98	(—)395	(—)84	1.5
1999-99	(—)357	*	)11.1

*merged with SAIL w.e.f. 01-04-1998.

(d) The reasons for losses made by the subsidiaries are, inter-alia, as follows:

(i) Slow down in demand for steel;

(ii) Greater competition from imports and enhancement of supplies in domestic markets;

(iii) Increase in input costs;

(iv) Old and outdated technology;

(v) Energy intensive technology and high power cost; and

(vi) Labour intensive operation.

Modernisation of IISCO

604. SHRI NILOTPAL BASU:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of STEEL be pleased to state:

(a) the present status on the modernisation of IISCO in Burnpur;

(b) whether the Government are contemplating any fresh initiative to modernise it with domestic resources; and

(c) if so, the details thereof?